



Behavioural intentions towards owning cross-border second homes: The role of country riskiness

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Goal and objectives of the dissertation

Goal

The main goal of this study is to test the CBSH BI Model (Cross-border Second Home Behavioural Intentions) in explaining the role of country riskiness in behavioural intentions towards having a CBSH in the path of 'country attractiveness → overall satisfaction → behavioural intentions'.

Objectives

1. To identify and confirm the dimensions of the country attractiveness of Malaysia as a host to CBSHs.
2. To establish the relative magnitude of the country attractiveness dimensions in terms of their effects on having a CBSH.
3. To identify and confirm the dimensions of country riskiness of Malaysia as a host to CBSHs.
4. To establish the relative magnitude of country riskiness dimensions in terms of their effects on having a CBSH.

5. To examine the effect of country attractiveness and overall satisfaction on behavioural intentions towards having a CBSH in Malaysia.

6. To investigate the role of country riskiness as a predicting, mediating, or moderating variable in behavioural intentions towards having a CBSH in Malaysia.

7. To investigate the strength of the country riskiness dimensions that affects the CBSH BI Model.

Methodology

Individuals are units of analysis in the study and a self-administered questionnaire was used to explore respondents' feelings. Since this study involves decision making, a cross-sectional survey is used. The exploratory research method is used to design the structured questionnaire. Data obtained were analysed using both the *Statistical Package for Social Science* (SPSS) and the *Analysis of Moment Structure* (AMOS) programmes. The

exploratory research is followed by a confirmatory research which explains the nature of the relationships among the variables using hypothesis testing which answered and confirmed the research questions and hypotheses.

Results

Major findings:

- There are three main dimensions of Malaysia's attractiveness as a host to CBSH: *climate and nature*, *value for money* and *leisure*. This is similar to the findings of other studies on CBSH tourism. The rankings and magnitudes of the three dimensions are as follows, where the numbers in parentheses are the ranking, followed by magnitude: *climate and nature* (1, $R^2=0.745$), *value for money* (2, $R^2=0.453$), and *leisure* (3, $R^2=0.257$).

- There are three dimensions of Malaysia's risk as a host to CBSH: *safety and security risk*, *social risk*, and *property risk*. As mentioned previously, no research on country riskiness has been studied in CBSH tourism. Thus, its dimensions contribute to the body of knowledge on CBSH tourism and tourism consumer behaviour. The rankings and magnitudes of the three dimensions are as follows, where the numbers in parentheses are the ranking, followed by magnitude: *safety and security risk* (1, $R^2=0.819$), *social risk* (2, $R^2=0.773$), and *property risk* (3, $R^2=0.207$).

- Searching for the *role of country riskiness* in the CBSH BI Model is the main objective of this research, and this study found that its role is a *moderating* variable. Country riskiness and its three dimensions moderate the relationship in the CBSH BI Model and has a stronger effect between the path 'country attractiveness → overall satisfaction'. The moderating effect reduced the strength of the path by nearly half. *Social risk* plays the strongest part of the moderating role.

- Overall satisfaction *completely mediates* the relationship between country attractiveness and behavioural intentions towards having CBSH in the host country among the current working expatriates.

Theoretical conclusions

1. CBSH BI Model and Phase Dynamics Theory of CBSH BI

This study's contributions to academic knowledge include identifying and confirming the role and dimensions of country riskiness in the proposed CBSH BI Model and the Phase Dynamics Theory of CBSH BI. The main obstacle was positioning the construct of country riskiness in the model and theory, either as a predicting, mediating, or moderating variable. After testing, the data confirm that country riskiness is a moderator and has a stronger effect on the path between 'country attractiveness → overall satisfaction'.

2. Theory of Reasoned Action (TRA)

Continue to align with TRA when *social risk*, one of the dimensions of country riskiness, is in line with subjective norm. *Social risk* considers what people who are close to the decision-maker think and whether it is important to act in accordance with their views, which is similar to subjective norm. Therefore, it can be concluded that even in matters pertaining to long-term tourism, what others think about the decision is important.

3. GSV Model

Expand the dimensions and items of the GSV Model by adding items that are related to the *home and yet holiday* phenomenon (Chaplin, 1999). Items include attractive price for everyday goods and houses, relationship with locals, availability of international schools/universities, health facilities, latest communication technology, and matters pertaining to government support. This suggests that the GSV Model could be extended for usage in long-term tourism.

4. Theory of Perceived Risks

This research adds to the considerable body of literature on perceived risks in ownership of a CBSH. First, it suggests international types of perceived risks specific to second homes, known as country riskiness, which depart from the usual perceived risks for short-term tourism. The results show that the dimensions of country riskiness in this study are *safety and security risk*, *social risk*, and *property risk*. The findings confirm Lepp & Gibson's (2003)

suggestion that length of experience downplayed the threat of terrorism. However, the working expatriates' experiences living in the host country have increased their perceptions of other safety and security aspects of the country, such as being targeted for robbery, burglary, car theft, and other negative activities. Another risk that may be specific to the current situation of the host country is the property risk.

Practical application of the dissertation

Contributions and Implications to Industry Practitioners and Policy Makers

The MM2H programme that supports the CBSH ownership in this country is a fully supported government programme. Thus, the government is involved in its policymaking as well as its marketing. Promotion of the programme is also undertaken by the Malaysian private sector, which supplies goods and services to the second-homers. Promotion is usually done jointly by both public and private sectors.

The information provided by the current study on the country's attractiveness, risk, overall satisfaction and behavioural intentions provides useful direction for effective planning, development and marketing of the CBSH programme in ways that are consistent with the perceptions of potential buyers. Consequently, it helps to maximise the resource allocation in these areas.

The fact that country riskiness is a moderating factor in behavioural intentions towards owning a CBSH, indicates that in promoting a country as a host for CBSH, it is equally important to focus on country riskiness, not only on country attractiveness. This is to alleviate potential second homers' concern towards owning a CBSH in the host country. Further development in the identification of country riskiness dimensions allows both government and private officials to better understand how to alleviate potential international second homers' concerns towards having a CBSH in the host country. An improved understanding of factors that influence country riskiness (Laroche, Bergeron & Goutaland, 2003) and their

functions in influencing potential customer behavioural intentions would be extremely useful for marketers. This knowledge would definitely lead to a more effective marketing and expenditures strategy. Relevant strategies could be undertaken to reduce perceptions of country riskiness among potential customers (Laroche et al., 2003; Weaver et al., 2007).

Additionally, the results support a strong relationship between country attractiveness and overall satisfaction, and consequently between overall satisfaction and behavioural intentions towards having CBSH in the host country. Therefore, marketers should work continuously to increase potential customers' overall satisfaction. From the government's perspective, efforts could be taken to improve customers' overall satisfaction through a variety of methods such as legislation, direction, supervision, control, guidance and monitoring on matters pertaining to international second homers living in the host country. Similarly, in providing goods and services to the second homers, the private sector should take steps to improve the potential second homers' satisfaction, as a higher level of satisfaction would increase positive behavioural intentions. What determines future intentions is important because understanding the relationship between intentions and determinants allows marketers and management to build the potential of the destinations more effectively (Chen & Tsai, 2007).

Content of the dissertation

Abstract of chapter one

It provides an introduction to the topic, along with the problem statement, objectives, research questions, research hypotheses, significance of the study, and its scope.

Abstract of chapter two

It reviews the development of tourism in relation to Malaysian economy, from its inception in 1957 to its subsequent recognition and increased economic importance. It also presents some evidence on how country riskiness came to be perceived over time, and how this perception affected the number of international tourist arrivals. This chapter also discusses the evolution

of the tourism industry in Malaysia from short-term tourism to the long-term tourism of CBSHs, which is the focus of this study. The programme that makes it possible for foreigners to have a second home in this country, the MM2H (Malaysia My Second Home) programme, is also discussed, including in terms of current second homers' views of the country.

Abstract of chapter three

It provides further information on the context of the study, the cross-border second home. The discussion starts with the definition of various terms related to second homes, followed by the evolution of the international phenomenon of CBSH. The international phenomenon includes second homes on nearly every continent. This chapter then discusses factors that push people away from their home country and towards having a CBSH in a host country.

Abstract of chapter four

It discusses the independent variable of the proposed CBSH BI Model. The model follows the path of 'country attractiveness → overall satisfaction → behavioural intentions'. This chapter identifies the initial dimensions and items. In the process, it highlights country attractiveness in short-term and long-term tourism. It compiles dimensions of country attractiveness of host countries for CBSH migration.

Abstract of chapter five

It discusses country riskiness, whose role in the proposed CBSH BI Model is the main contribution of this research to the existing body of knowledge in the tourism and consumer behaviour literature. The model follows the path of 'country attractiveness → overall satisfaction → behavioural intentions', where the role of country riskiness could be a predicting, a mediating, or a moderating variable. This chapter identifies the initial dimensions and items for country riskiness in long-term tourism and discusses its historical development in tourism. Dimensions that have been established by previous researchers are also discussed.

Abstract of chapter six

It deals with the last two constructs of the proposed CBSH BI Model, overall satisfaction and behavioural intentions. The two constructs are discussed together so that they may be more easily comprehended. After the explanation for these constructs is presented, the theoretical connections to the model are briefly discussed.

Abstract of chapter seven

This chapter provides the methodology, describing the research design and exploratory research results, followed by the questionnaire design, questionnaire pre-test and data collection. Results of exploratory research are elaborated in this chapter since it was used in developing the questionnaire.

Abstract of chapter eight

This chapter presents the statistical analysis and the tests of the hypotheses. It summarises the results of the descriptive and statistical analysis. Descriptive analyses of the sample and each variable are given, and the results are used as the starting point for specifying the relevant measurement models. In measuring the validity of the models, each model is examined by investigating its unidimensionality, reliability, and validity (convergent and discriminant). The full measurement model is followed by the formation of the CBSH BI Model, which enables hypothesis testing (including the role of country riskiness) and establishes the model.

Abstract of chapter nine

This chapter discusses the findings of the study based on the empirical research evidence. Empirical answers to the research questions are obtained from SEM, which is employed to assess the research hypotheses and to test the research model.

Abstract of chapter ten

It outlines and summarises the significant contributions of the study and examines their implications from the perspective of both practitioners and academics. The findings are followed by recommendations for future research directions and the overall conclusions of this study.